

# California Solar Initiative



Solar energy is one of California's most abundant renewable resources. California set a goal to create 3,000 megawatts of new, solar-produced electricity by 2017—moving the state toward a cleaner energy future and lowering the cost of solar systems for consumers.



The California Public Utilities Commission (CPUC) has instituted performance-based incentives. This approach rewards the best - designed and

functioning solar installations, while also encouraging energy efficiency upgrades. Starting January 1, 2007, incentives for all solar energy systems greater than 100 kilowatts in size will be paid monthly based on the actual energy produced for a period of five years. All systems less than 100 kilowatts will receive a one-time, up-front incentive based on

expected system performance. Ten percent of program funds are allocated for solar installations in low-income and affordable housing.

Today, thousands of Californians power their homes and businesses with solar electric systems. To ensure these numbers continue to increase, the California Energy Commission has allocated \$400 million over 10 years to encourage solar installation during new home construction, through its New Solar Homes Partnership.

By January 2008, all publicly-owned electric utilities must join California's investor-owned utilities and adopt, implement, and finance a solar initiative program.

The California Solar Initiative offers cash incentives for installing solar systems. These incentives, combined with federal tax incentives, can cover up to 50 percent of the total cost of a solar system. This ambitious program represents the third largest solar incentive program in the world. California Senate Bill 1 fixed this initiative as state law, establishing the comprehensive solar policy package through the full state Assembly with strong bipartisan and public support. The CPUC, as the lead agency for incentives for solar installations, will provide over \$2 billion in incentives over the next decade for existing residential homes and existing and new commercial, industrial, and agricultural properties. The overall goal is to help build a self-sustaining market for solar power.

The California Solar Initiative offers:

- Photovoltaic incentives starting at \$2.50 per watt for systems up to 100 kilowatts in size. For systems ranging from 100 kilowatts to 1 megawatt in size, owners receive \$0.39 per kilowatt-hour of electricity generated by solar energy.
- Funds for solar installations for existing and new low-income and affordable housing.
- A pay-for-performance incentive structure to reward high-performing solar projects

To maximize energy resources, the Public Utilities Commission and Energy Commission coordinate the California Solar Initiative with the state's energy efficiency, "smart" metering, and building standards programs.

For more information visit:  
[www.gosolarcalifornia.ca.gov](http://www.gosolarcalifornia.ca.gov)

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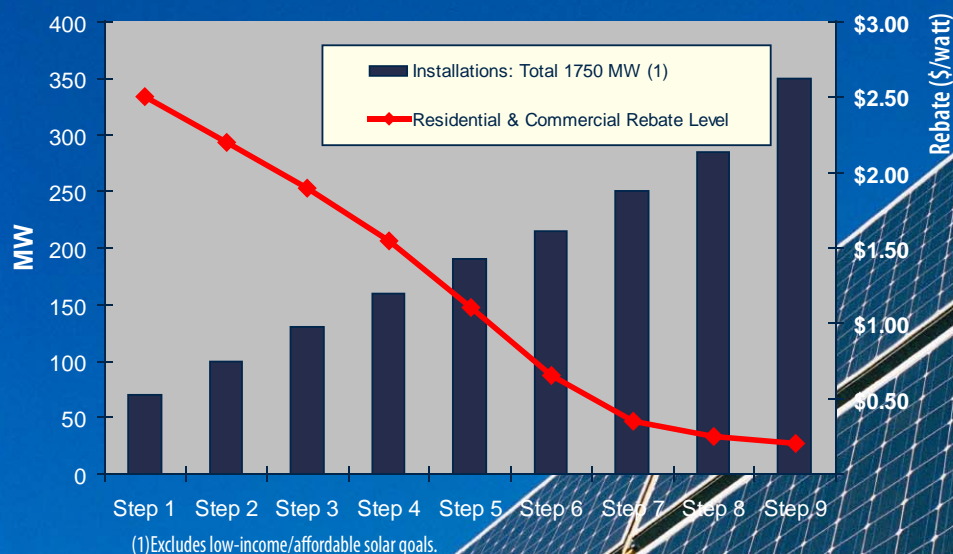


## GOALS:

- Consumers purchase 3000 MW solar
- Self-sustaining market by 2016

Program Authority	CPUC	California Energy Commission	Publicly Owned Utilities
Budget	\$2.167 billion	\$400 million	\$784 million
Pro-rata MW Solar	1940 MW	360 MW	700 MW
Scope	All in investor-owned utility areas except new homes	New homes, investor-owned utility areas	All in publicly-owned utility areas
Audience	Various	Builders, buyers	Various
Begins	January 2007	January 2007	January 2008

## INCENTIVES DECLINE AS THE SOLAR MARKET GROWS



## CPUC's California Solar Initiative Audiences:

- Existing residential buildings
  - Single-family homes
  - Low-income / affordable housing
  - Multi-family apartments
- All commercial buildings
  - Office and retail
  - Schools
  - Government buildings
- All industrial facilities
  - Warehouses
  - Manufacturing
- All agricultural facilities

